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BIPARTISAN GROUP OF LAWMAKERS PUSH FOR FULL FUNDING FOR PILT PROGRAM

Federal Program Provides Critical Support for Rural Community Services

Washington, D.C.—At a Capitol Hill press conference, a bipartisan group of Members of Congress today urged Congress to pass legislation that would provide full, permanent funding for the payments in lieu of taxes (PILT) program, a program in which the Interior Department gives payments to counties to make up for property taxes they can't collect on federal lands that are located within their boundaries.

Currently, PILT is funded through a line item appropriation every year, which historically has fallen well below the amount authorized or necessary. For fiscal year 2004, Congress provided \$224.3 million for PILT, which is about two-thirds of the \$331 million authorized by law and calculated by the Bureau of Land Management (BLM). Proposed federal legislation would mandate that both PILT and the U.S. Fish and Wildlife Service's Refuge Revenue Sharing Program be funded at their fully authorized amounts, as determined every year by BLM.

While both programs are significant, PILT is particularly important for counties in western states that include large expanses of federal lands. For more than 25 years, the PILT program has provided funding to more than 1,900 counties in 49 states, including the District of Columbia, Guam and the U.S. Virgin Islands.

Rep. Chris Cannon (R-UT), Chairman of the Congressional Western Caucus said: "By not adequately funding PILT, the federal government forces citizens in western states to pay more in local property taxes than other Americans. Over the last decade, rural communities have lost out on more than \$1.1 billion dollars that would have helped pay for vital services, or that could have been used to reduce the overall tax burden in these counties. The 2006 budget must include full funding for PILT -- not a penny less than \$350 million."

"Many rural counties rely heavily on PILT monies to fund a wide variety of services such as law enforcement, fire fighting, hospital care and education. When Congress shortchanges PILT, rural America suffers," said Rep. Mark Udall (D-CO), who is sponsoring H.R. 788, The PILT and Refuge Revenue Sharing Permanent Funding Act. "My bill would guarantee full funding for

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PILT and would shield the program against the kind of political short-sightedness demonstrated in the President 2006 budget, which proposes a 12-percent cut in the funding for PILT.”

Rep. Jim Gibbons (R-NV) noted: “PILT dollars are critical for the economic survival of many communities in Nevada since over 90 percent of the state’s land is owned and managed by the federal government. Nevada like so many Western states has been short-changed by the federal government for years, because the PILT program has never been funded to a level which would adequately compensate our revenue shortfalls. Too many of Nevada’s counties - particularly our rural counties - have no ability to gain revenue from local taxes because so much of their land is managed by the federal government. This shortfall hampers our counties’ ability to provide necessary services, such as law enforcement, hospital care, school facilities, and other infrastructure needs. The federal government must prioritize fully funding PILT.”

“This bill will guarantee regular and stable payment to counties by removing the PILT program from the whims of the appropriations process, so that local communities will have the necessary funds for much-needed services,” stated Rep. Raul Grijalva (D-AZ). “By making certain that funding will be available; it will greatly enhance the ability of smaller communities in my district to meet the basic needs of citizens living there.”

“PILT has never been fully funded. New Mexico’s Second Congressional District, according to the Department of Interior, lost \$77 million in PILT funds since 1995. PILT funding goes to counties with high percentages of federal land. Counties cannot draw tax revenue from these federal lands, and PILT funds provide the funding for schools, roads and public safety programs that local tax revenue would usually pay for,” said Rep. Steve Pearce (R-NM).

Rep. John Salazar (D-CO) has made a commitment to fighting for rural Colorado’s fair share of federal tax dollars. “The Third Congressional District receives more than \$11 million in PILT payments, money that is needed to support local schools and fire departments. Rural counties should not have to fight every time to get the money they were promised—PILT should be non-negotiable and fully funded from the start.”

“The least the federal government can do for the West’s numerous public-lands counties is meet the minimal commitments it has made through the PILT program,” said Rep. Mike Simpson (R-ID). “Idaho’s rural counties rely on PILT payments to fund basic services like schools, roads and law enforcement. When the Federal government does not fulfill the responsibility of compensating counties that have no taxable-land base rural communities are the ones who feel the effects.”

“The federal government owns too much land and it doesn't pay for what it currently has. In effect, the federal government has become an absentee slumlord – zealously and unnecessarily holding onto ownership of public lands while squeezing off financial assistance to nearly broke western counties. This flawed policy must change, and it can be changed one of two ways. Either give our counties in the West the land, or fully fund PILT to try and make up for it,” said Rep. Rob Bishop (R-UT).

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